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REPORT OF THE THIRD MEETING OF THE REGIONAL TECHNICAL COMMITTEE ON AIR TRANSPORT IN AFRICA

(Addis Ababa, Ethiopia, 2-5 March 1987)

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A. ORGANIZATION OF WORK

1. The third meeting of the Technical Committee on Air Transport in Africa, set up under the Mbabane Declaration on air transport in Africa, met from 2 to 5 March 1987, in Addis Ababa, Ethiopia, at the headquarters of the Economic Commission for Africa (ECA).

B. PARTICIPATION:

2. The following members were present:

Representatives of Civil Aviation Administrations

- Mr. J.N. Kabuki, representing the East African region.
- Mr. Mbala, representing the Central African region.
- Mr. A. Daoudi, representing the North African region.
- Mr. Patrick Ndlovu, representing the Southern African region.

Representatives of Airlines

- Mr. V.J. Gbaguidi, representing the West African region.
- Mr. N. Ragheb, assisted by Mr. Mohamed Talaat Ahmed-Ibrahim, representing the North African region.
- Mr. Bekele Wolde, representing the East African region.
- Mr. Arthur Mimonga Michaels, representing the Southern African region.

Representatives of international organizations

ECA: Messrs: M. Bongov
F. Rutaiva
A. Virag
P. Mangosela
H. Koumare
J. Solis

OAU: Messrs. Y.C. Afanou, Head
Transport and Communications Division

E.A. Chimwaza, Transport Economist

AFCAC: Mr. E. Lomboulou, Secretary-General

The following members were unable to attend:

- Mr. L.C. Okonkwo, representative of civil aviation administrations of the West African region.

- Mr. F. Banga, representative of airlines of the Central African region.

- Mr. M.E.B. Zarrong, AFRAA representative.

OBSERVERS

- Mr. Diallo Seydi, First Secretary, Embassy of Guinea, Addis Ababa, Ethiopia

- Mrs. Mapia Manwla Lucas, Embassy of Mozambique, Addis Ababa, Ethiopia

C. OPENING OF THE MEETING

3. The Chairman opened the meeting and then gave the floor to the representatives of the Executive Secretary of ECA and the Secretary-General of the OAU.

4. The opening statement of the Executive Secretary of ECA was read on his behalf by his Special Assistant, Mr. Jeggan Senghor. In it he welcomed the members of the Committee and recalled the importance that he had always attached to air transport matters culminating in the material assistance that ECA was providing to the Committee.

5. The third meeting was singularly important as it immediately preceded the tenth meeting of the Inter-Agency Co-ordinating Committee for UNTACDA (IACC). The latter body was busy taking stock of the impact of the transport and communications Decade in Africa as the Decade was drawing to a close. The report of the Committee's third meeting would be forwarded to the tenth IACC. The Committee's third meeting was also important because all African bodies were embarking on programmes to deal with the economic crisis which was afflicting the continent.

6. Although some people still harboured a prejudice against air transport because they considered it a preserve of the privileged few, such an attitude was a short-sighted one and the Committee should not allow itself to be deflected from its task by such scepticisms.

7. The Executive Secretary then went on to highlight the various items on the agenda and exhorted the Committee to turn its attention seriously to them as Africa was expecting concrete results from its work and not another report that would be filed away.

8. The Secretary-General of the OAU could also not be present and Mr. Dirar, Director of EDECO made a statement on his behalf.

9. Mr. Dirar pointed out that the third meeting of the Committee was taking place within the context of the adoption of the African Priority Programme for Economic Recovery and thus was of great significance since air transport was a major instrument for integrating the transport system in Africa and for the physical and socio-ecomic integration of the continent. The OAU, therefore, attached great importance to the activities of the Committee which is charged with co-ordinating virtually all major activities of air transport in Africa.

10. It was gratifying to note that the Committee would grapple with the problems associated with the granting of third, fourth and fifth freedoms of the air. In that regard, it was worth recalling that the problems encountered in the granting of full traffic rights had been discussed in various fora including the sub-committee on Air Transport and Civil Aviation which was convened in Addis Ababa by the OAU in November 1970 as directed by the Sixth Summit of East and Central African States which was held in Khartoum in January 1970. Another matter of importance to be discussed by the Committee was the creation of a single pan-African airline as advocated in the Lagos Plan of Action and the Final Act of Lagos. Such a pan-African airline would have to be preceded by several multinational airlines for whose formation a careful study was necessary in order to analyse the difficulties experienced in the past by subregional airlines.

He concluded by wishing the committee fruitful discussions.

11. The Chairman, for his part, welcomed the Committee members and thanked ECA and OAU for the active part they have played in promoting the development of transport in Africa. He also thanked the Government and people of Socialist Ethiopia for the warm welcome accorded the participants since their arrival in Addis Ababa.

12. He summarized the Committee's terms of reference as dealing with freedoms of the air, air transport co-operation, facilitation and, last, a pan-African airline. Having thus drawn a broad picture of areas in which the Committee's work was expected to yield concrete results he went on to take stock of what had hitherto been achieved, particularly with regard to freedoms of the air and air transport co-operation. With regard to the former, the Committee had endorsed the policy adopted by African States under the auspices of AFCAC to solve problems associated with the granting of third, fourth and fifth freedom traffic rights. Financial resources, however, were needed for the Committee to be able to monitor the implementation of the adopted policy and it was, therefore, heartening to note that ECA would have, in its budget, provisions for facilitating the work of the Committee.

13. As regards air transport co-operation, the Chairman pointed to the close liaison between AFCAC and the Committee on the establishment of the African Civil Aviation Information System (AFCAIS) and the fact that, on the urging of the Committee, scheduling meetings among airlines before every traffic season were now a regular feature.

14. In conclusion, he noted with satisfaction, that the efforts of the Committee and those of other organizations concerned with air transport such as OAU, ECA, AFCAC and AFRAA were beginning to bear fruit as evidenced by the gradually increasing air connections in Africa.

D. ACCOUNT OF PROCEEDINGS

Adoption of the agenda (agenda item 2)

15. Following discussions on the need to maintain the agenda item relating to the policy-statement on air transport in Africa that AFRAA had to prepare, the committee adopted the following agenda:

1. Opening of the meeting
2. Adoption of the agenda and organization of work
3. Difficulties encountered during the exchange of the third, fourth and fifth freedoms of the air
4. Problems to be solved prior to the creation of subregional airlines
5. ECA/World Bank/UNDP project on transport development south of the Sahara
6. Planning of the technical committee s activities, taking into account objectives of the Mbabane Declaration
7. Draft policy-statement on air transport in Africa
8. Other business
9. Date and venue of the next meeting
10. Adoption of the report and closure of the meeting.

Difficulties encountered during the exchange of the third, fourth and fifth freedoms of the air (agenda item 3)

16. The AFCAC representative introduced document DEC/TRANSCOM/AIR/83 relating to traffic rights in Africa. In his paper, he highlighted the special attention that AFCAC has always paid to traffic rights. Traffic rights are exchanged in Africa like in other regions of the world through bilateral agreements on air transport. AFCAC has always recommended a policy to liberalize the exchange of the first and second freedoms of the air among member States. Moreover, African States, generally, lay emphasis on the exchange and development of the third and fourth freedoms of the air and adopt a policy to protect the fifth freedom.

17. The 1944 Chicago Conference obtained only partial results on multi-lateralism because an agreement (transit agreement) exists only on the first and second freedoms. Efforts subsequently made to win general acceptance of other commercial freedoms for scheduled air services, were not successful.

18. In Africa, at the moment, there is a move to harmonize the policy on traffic rights among the various countries. Surely, bilateralism will be preferred to multi-lateralism still for a while. Whatever the situation, AFCAC has prepared the following two drafts to be submitted to the committee for advisory opinion before consideration by its tenth plenary sitting:.

- Memorandum of understanding

- Multi-lateral air transport agreement among African States.

Debate

19. Discussions following the introduction of document DEC/TRANSCOM/AIR/23, centred on general remarks and on an analysis of both instruments (model memorandum of understanding and model multilateral air transport agreement among African States) appended to the document presented by AFCAC.

1. General remarks

20. It was stated that traffic rights are vital to the development of air services, and that, as a result, problems relating to granting them should be tackled with much flexibility. It was later stated that since the third and fourth freedoms of the air rights constitute fundamental rights, they should not form the subject of a commercial agreement and that there is no need to limit frequencies.

21. As regards the fifth freedom, it was said that air transport can only develop when a much more flexibile policy is adopted since air transport is, currently, undergoing profound changes, particularly, since 1985. Another representative stated that the proposed model memorandum does not provide, as far as the fifth freedom is concerned, for the case where reciprocity exists.

22. The committee's attention was drawn to its duty to make the actions concrete and on this score, it was felt that general framework would not meet the committee's set objectives.

23. Following this exchange of views, the Chairman concluded that there was an obvious need to present both documents and that the memorandum of understanding would provide an intermediary solution for bilateral agreements which can be realized immediately while awaiting the multilateral agreement which can be envisaged only on the long term.

2. Consideration of the memorandum of understanding

24. The main remarks made were on the following paragraphs:

Paragraph 1: The committee exchanged viewpoints on the need to specify in the memorandum the initial number of weekly frequencies. After lengthy discussions which revealed the advantages and disadvantages of maintaining a minimum service of two or three frequencies in the text, the committee concluded that paragraph 1 be recast, taking account of the following remarks:

- delete the word "simultaneously"

- allow the parties concerned to determine the minimum number of initial frequencies.

Paragraph 3

25. After an exchange of views on the notion of an equivalent global capacity which according to some members, does not favour the development of air services, the committee resolved that no amendment was necessary.

Paragraph 4

26. The committee considered the need to completely delete this paragraph for, according to some members, it was superfluous. During the discussions that followed, it was stated that this paragraph deals with cases where an airline is unable to exercise its rights and where another airline would like to increase its quota, and cases where all airlines exercise this right but then increased traffic does not make it necessary to establish an additional frequency for each one of them. It was therefore resolved that:

- the number of services should not be specified so as to conform to the preceding paragraphs;

- this paragraph be recast by introducing the notion of a commercial agreement solely in the event where an airline operates traffic exceeding its quota.

Paragraph 5

27. During consideration of this paragraph, it was stated that a third possibility namely, the compensation in kind for the fifth freedom such as training, equipment supply etc... was lacking. The committee felt that this notion should not be included even though it has already been discussed within AFCAC. It concluded its debates by requesting that this paragraph be recast so as to incorporate on the one hand, the possibility to mutually exchange the fifth freedom, and, on the other hand, the possibility to compensate with advantages of air transport economy where reciprocity is inexistent.

Paragraph 7

28. The committee proposed that this paragraph be deleted since cancellation measures will figure in the text of commercial agreements.

Model multilateral air transport agreement among African States

29. This draft agreement was considered article by article and the following remarks were made:

Article 1

According to the Committee, it would be necessary to:

1. add "privileges granted ... to airports used exclusively for military purposes" to the last paragraph;

2. delete the word military in the last line which will thus read: "... to the approval of the competent authorities".

Section 3

30. It was resolved that the number of services should not be mentioned.

Section 7

31. The committee requested that impose be replaced by establish and imposed by established.

Section 8

32. It was requested that this paragraph be recast taking account of the possibility to designate not only an enterprise but, possibly, enterprises if the case arises.

Article 4

Section 1

33. Discussions were centred on reasons that led authors of the text to provide for reservations only on the fifth freedom. Some members suggested that it be deleted. Explanations furnished revealed that that was a flexible measure introduced so as to win more support.

34. The committee's view on this issue was divergent since some members supported its deletion while the majority requested that it be maintained without any amendment.

Section 3

35. It was accepted that this section was out of place and that it should be placed at the end of the text.

36. With regard to its content, the committee requested the following addition: "if both parties fail to agree, the President of AFCAC shall nominate a third arbitrator"

Article 7

Sections 6 and 7

37. It was requested that "and/or AFCAC" be added at the end of both sections.

Article 8

38. For purposes of a better understanding of the text, it was suggested that the definitions should come at the beginning of the agreement.

39. After considering both documents, one representative stated that the text of the multilateral agreement does not contain such points as the transfer of funds, agreement on mutual tax exemption and the exemption granted to warehouses, for instance.

40. It was finally mentioned that the text of the multilateral agreement did not consider traffic rights and that it would be necessary to prepare a multilateral agreement on other points since they figure in the committee's mandate.

Problems to be solved prior to the creation of subregional airlines (agenda item 4)

41. Two working documents had been prepared on this item. They were DEC/TRANSCOM/AIR/19, and DEC/TRANSCOM/AIR/19/Add.1, prepared by ECA and AFCAC respectively.

42. A representative of ECA introduced the document DEC/TRANSCOM/AIR/19 and said that although the first conference on air transport in Africa, organized by ECA and ICAO in 1964, had recommended the creation of sub-regional airlines, to date no success had been recorded. The main stumbling blocks were four, and they were:

(a) considerations of the prestige attached to the flying of the national flag by a national carrier;

(b) resistance by managers of existing national airlines who fear loss of power in a centralized subregional airline;

(c) the feeling by countries that a national carrier is a symbol of their sovereignty; and

(d) the difference in the size of African airlines which makes it difficult for them to decide to merge.

43. The ECA representative suggested that in order to overcome past difficulties a fresh approach ought to be attempted and this should consist of the following actions:

(a) identifying those airlines or States that wished to create a sub-regional airline;

(b) conducting a study on the creation of such an airline; and

(c) establishing, as the first step, co-operative arrangements such as pooling of services and resources and joint operations.

44. Document DEC/TRANSCOM/AIR/19/Add.1 was introduced by a representative of AFCAC who recalled that at the beginning of 1981 a meeting had been organized

among several organizations, including AFCAC, OAU, ECA, AFRAA, ICAO, IATA and ITA to look into the problem of the creation of multi-national airlines. One of the outcomes of the meeting was a project document for a feasibility study on the creation of a pan-African airline. Unfortunately to date no funding had been secured for the study.

45. The paper prepared by AFCAC sought to advance the issue by making specific proposals for action to be taken. Certainly, the justification of maintaining a national airline for reasons of prestige and pride was not valid. Having outline the major problems to be solved, he suggested that the objective should be to create structures for negotiations on the creation of sub-regional airlines, in the short term, and a pan-African airline in the long term. In that connextion, future work of AFCAC's panel of legal experts included the following tasks:

(a) consideration of all legal aspects in connection with the establishment of multi-national airlines;

(b) development of a model agreement for the establishment of multi-national airlines;

(c) the development of a model air transport agreement to be used in negotiations with third States.

He concluded by making the following recommendations for future action.

(i) that African States and airlines wishing to co-operate in the creation of subregional airlines should be identified;

(ii) ECA should consider providing financial assistance to AFCAC for a feasibility study on the creation of a pan-African airline as well as funding other AFCAC activities related to the improvement of air transport in Africa including providing AFCAC Secretariat with a data processing system for research and studies.

46. In the ensuing debate, the Chairman suggested that the committee should address itself to the recommendations of ECA and AFCAC, which were more or less the same. He, however, felt that the question of ECA providing AFCAC with funds for a data processing system was outside the scope of the agenda item.

47. A number of committee members took the floor on the issue to welcome the realistic approach proposed in the recommendations; particularly, the suggestions that the creation of sub-regional airlines culminating in a pan-African airline should be done on a step by step basis and that it should be confined only to States and airlines needing to create sub-regional airlines as some of the bigger airlines may not feel the need for such an endeavour. The first step, therefore, would be the identification of such airlines to be followed by a comprehensive feasibility study touching on all the important questions to be addressed, such as legal questions, financial consideration and the economic viability of the enterprise. The study should also look into such questions as whether the creation of a sub-regional airline would lead to the disappearance of national airline and, if not, what the relationship between the latter and the sub-regional airline would be.

48. The Chairman summarized the discussions by pointing out that the mandate from African Heads of State had existed for some time and all that remained was for the Committee to spell out the modalities for carrying it out. The Committee supported the recommendation that ECA should undertake surveys to determine the States more likely to want to cooperate towards the creation of a multinational airline and once that was done, the Committee could then look into the question of financing feasibility studies. It was also understood that, while the responsibility for the surveys was entrusted to ECA, it was expected that, as usual, ECA would collaborate with other organization as necessary.

49. The Chief of the Transport, Communications and Tourism Division of ECA said that the undertaking of surveys by ECA would be a relatively easy matter as some of the subregions that were interested were already known such as those served by the Economic Community of the Great Lakes States (CEPGL) and the Preferential Trade Area for Eastern and Southern Africa (PTA).

ECA/WORLD BANK/UNDP project on transport development South of the Sahara: (Agenda item 5)

50. Under this agenda item ECA presented the document DEC/TRANSCOM/AIR/21.

51. In giving the background to the document, the ECA representative explained that the project was initiated as a result of the World Bank's approach to ECA to jointly undertake studies on the transport systems in Sub-Saharan Africa. The documents which the World Bank had submitted to ECA on the subject had to be revised, after consultation with such competent organisations as AFCAC, to include Air Transport in any major activities of the World Bank in Africa South of the Sahara.

52. It was emphasised in the meeting that this was so because Air Transport was lagging far behind in Africa than in the other Regions despite the fact that several documents and discussions in the various fora had identified the problems and possible solutions of developing this mode of transport. Air Transport was therefore not playing a major role in the development of the continent as expected. It was in this context that ECA suggested that workshops and studies be undertaken in the following areas :

I. Development of Air Services

II. Development of Airports and Navigation facilities.

Under item I, the subjects to be considered would be:

(a) Management improvement;

(b) Co-operation and co-ordination;

(c) Choice and financing of aircraft - organization of maintenance systems;

(d) Facilitation of Air Transport services.

53. With regard to item II, the workshop would discuss the findings of a study on the development of airports and navigation facilities particularly the structure and the management of these facilities.

54. It was made clear that the activities under this project were not intended to replace the on-going projects or activities but rather to supplement them. ie to close any gaps that may exist.

55. After lengthy discussion on this agenda item, it was generally felt that the World Bank was taking a positive attitude with regard to the development of Air Transport in Africa. It was now seen that Air Transport was not a luxury in Africa but rather as being essential for the socio-economic development and integration of the continent.

56. The committee also felt that although not everyone was consulted about the project, the competent people and organisations in the Air Transport field had been consulted about the project and in future the Technical Committee on Air Transport in Africa would be closely consulted and associated with the project. Already three members of the Committee had been nominated to be members of the projects Technical Committee. These members were: the Chairman of the Regional Technical Committee on Air Transport in Africa, the President of AFCAC and the Secretary General of AFCAC.

57. The Committee noted that the project was being funded by UNDP and the World Bank was the lead Agency and ECA the Associate Agency of the project. The Committee also noted that there was a management team consisting of the World Bank and ECA. The team was responsible to finalize the documents and to be responsible for the technical aspects of the project.

58. In concluding the deliberations on this agenda item the Committee recommended that:

(i) African experts and organisations should as much as possible be used in the execution of the project. These experts know the conditions prevailing in Africa;

(ii) Since African organisations will remain in Africa, these should preferably be used since they will be able to follow up activities in this field;

(iii) The Regional Technical Committee on Air Transport in Africa should closely be involved in the project;

(iv) The Organisations already involved in existing projects such as ADB should continue to do so but they should also be involved in this project;

(v) Although more information on the project was necessary the project should proceed as in any case the workshops should provide the needed information.

59. The Committee also approved the appointment of three of its members to the project's Technical Committee.

60. The Committee commended ECA's participation in the realisation of this project and then encouraged it to continue its efforts.

Planning of the technical committee's activities, taking into account objectives of the Mbabane Declaration (Agenda item 6)

61. Document DEC/TRANSCOM/AIR/20 was introduced by the ECA representative who specified that the committee should make suggestions on activities that will make it possible to prepare a programme of work.

62. During discussions that followed members of the committee unanimously agreed that it was correct to group tasks under four subjects.

63. On the other hand, the Secretariat was requested to prepare a more detailed planning of activities which will be sent to all members of the committee before the next meeting, for consideration and advisory opinion. Members of the committee will be expected to answer within the time-limit that will be set.

Draft policy-statement on air transport in Africa (Agenda item 7)

64. The Committee was unable to consider agenda item 7 because it did not receive the document that AFRAA had to prepare and because the AFRAA representative failed to attend the meeting.

Other business (Agenda item 8)

65. The committee received no question under this agenda item.

Date and venue of the next meeting (Agenda item 9)

66. Members of the committee wished that future meetings be organized in all subregions so as to enable all African States to know their various activities. This would make it possible to ensure the promotion of the committee, its set objectives and the activities it is carrying out.

67. Morocco was requested to host the next meeting in November 1987. Morocco will confirm this after consulting the competent authorities.

68. If Morocco fails to host the next meeting, then it will be held at the ECA headquarters in Addis Ababa.

69. The committee further requested that the planning of its future meetings be established so as to enable countries chosen to prepare at the right time.

Adoption of the report and closure of the meeting (agenda item 10)

70. The meeting adopted its report after a few amendments.

71. Following adoption of the report, the Chairman called upon the Chief, ECA Transport, Communications and Tourism Division, to deliver the message he wanted to communicate to the committee.

72. The Chief, ECA Transport, Communications and Tourism Division first said he was happy to see members of the Committee once more in Addis and to note that they had African air transport development problems at heart. He then stated that an exhaustive evaluation of the transport and communications Decade will soon start and that the Mbabane Declaration will figure amongst the Decade's achievements. He concluded by stating that the Committee has a vital role to play in the Decade's evaluation.

73. In closing the meeting, the Chairman of the Committee thanked ECA and the OAU for the efforts made and Committee members for their close collaboration which led to the full success of the meeting.